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Rewald is warned to limit expenses, hire own lawyer

By Walter Wright
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Ronald Rewald should turn in his rented \$700-a-month car and start taking the bus, federal magistrate Bert S. Tokairin said yesterday.

While he's at it, he should look for a house cheaper than his \$3,400-a-month Los Angeles mansion, the magistrate said.

That way, Tokairin said, Rewald can afford to hire his own attorney.

Tokairin denied Rewald's request for an attorney paid by the taxpayers.

Rewald faces a 100-count federal indictment for fraud, perjury and tax evasion involving \$22 million put into his company by 400 investors.

Rewald, Tokairin said, "is able to obtain private counsel if he re-evaluates his priorities."

"The defendant must help himself by sacrificing his comfort at this time so he can defend himself," the magistrate said.

"This defendant has not made a good faith effort to seek counsel," Tokairin said, "and has continued to maintain a



Rewald

on the inside:

Rewald associate sentenced.
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very high standard of living.

"I'd think a man in his position would try to save every penny.

"The car is a luxury. He should take a bus.

"He doesn't have to live in West Los Angeles. He should and could move into a more reasonably priced house" than the 5,440-square-foot Tudor place in Los Angeles' Hancock Park area.

That neighborhood, the magistrate said, "is what I consider a good upper-class area."

Rewald, in a nine-page affidavit, disagreed. "We are not quite living in the lap of luxury described by the press, the prosecutors and the government.

"My son appears to be one of the only Caucasians in an all-black school, which is only three blocks from where we live, and my daughters are attending a school with similar conditions around the corner from our house," Rewald said.

But Rewald won't have to put up with the "all-black" school much longer, Federal Public Defender Michael Levine indicated yesterday.

Because of what Levine called alleged FBI harassment of neighbors, Rewald and family are being evicted from the Hancock Park house and are looking for another one.

The FBI denied any harassment.

Rewald insisted he hadn't tried to mislead the court Sept. 6 when he said his income consisted of \$500 "last

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Magistrate tells Rewald to hire his own lawyer

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month." It was just that he wasn't sure that his \$1,000-a-week job working on his memoirs in Los Angeles was still intact, he said.

Assistant U.S. Attorney John Peyton said Rewald is making four times what the average citizen of Hawaii earns, and that it would "appear to be outrageous for him to have a lawyer paid for by the taxpayers."

Tokairin said the issue was clear without getting into the question of misrepresentation or even inquiring about other sources of income Rewald may have.

Rewald had received \$19,700 so far from his employer, Ronald Kauffman, and had spent close to \$5,000 on hotels and auto rentals, the magistrate said.

He is earning more than \$50,000 a year, and has a contract that would raise that salary by 40 percent in two years.

Levine contended it would cost \$200,000 to \$500,000 "up front" for Rewald to hire a qualified private criminal defense attorney.

The issue is not whether Rewald is broke, Levine said, but whether he can afford an adequate defense in a complex case.

But Tokairin said he was not persuaded that the only good lawyers in town were so expensive.

He said he was sure that among the 2,000 lawyers in Honolulu there were competent ones willing to discuss handling Rewald's case for less than \$200,000.

He gave Rewald two weeks to look for one.